

Legal Assistance Resource Center

❖ of Connecticut, Inc. ❖

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H.B. 5399 -- Moderate Rental PILOT Program and Non-Profit Housing Tax Abatement Program

Housing Committee public hearing – March 1, 2016

Testimony of Raphael L. Podolsky

Recommended Committee action: APPROVAL OF THE BILL
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These programs have long protected the ability of low-income tenants to pay rent in state family public housing ("State Moderate Rental Housing") and certain non-profit housing. The Governor's budget defunds these programs. Our first choice is to restore funding. If that is not going to happen, however, then it is important to make sure that the lost funding is not transferred to low-income tenants as higher rent. The effect will be to drive the lowest-income residents out of the housing. This bill protects those residents, and we strongly support it.

(1) Family public housing PILOT: Even though housing authorities are tax exempt, state law requires them to make "payments in lieu of property taxes" (PILOT) to their towns. For more than half a century, however, the state has made those payments for them. This program affects 34 developments with nearly 3,500 family units in 16 towns. The June 2015 budget eliminated this funding; but, recognizing the severe impact it would have on housing authority tenants – rent increases of \$50 to \$100 or more per month on the very lowest income tenants in public housing – it prohibited those towns from demanding PILOT payments from their housing authorities for the next year. This year's budget implementer (Sec. 7 of H.B. 5049) extends that prohibition two more years. We support that extension. Section 2 of H.B. 5399 goes a step further and makes the prohibition permanent in years in which the state does not fund the PILOT program. That is the right solution. It is fully consistent with the fact that housing authorities are tax-exempt and eliminates the need (and the insecurity forced upon very low-income renters) to have to come back repeatedly to the General Assembly for extensions.

(2) Non-profit housing tax abatement: This program affects 60 non-profit housing developments with more than 6,000 family and elderly units in 14 towns. The June 2015 budget preserved funding for this program, but in December it was defunded anyway as part of the Governor's \$20 million in interim budget cuts. Section 1 of this bill prohibits the termination of these tax abatements, even if state funding is ended. As with the Moderate Rental PILOT Program, this prevents defunding from shifting significant rent increases onto the low-income tenants who live in these developments.

MODERATE RENTAL HOUSING PROGRAM (STATE FAMILY PUBLIC HOUSING)
DEVELOPMENTS BY TOWN and
NECESSARY BASE RENT INCREASES IF PILOT FUNDS ARE LOST

Names of developments		Units	Units at Base Rent	PILOT	Current base rent	Necessary increase	% increase base rent only
Bristol	Dutton Heights/Zbikowski Park	174	136	\$ 81,997	\$220-255	\$ 50	23%
Danbury	Coal Pit/Fairfield Ridge/Mill Ridge	290	119	\$170,472	\$285-303	\$119	42%
Enfield	Laurel Park/Green Valley Village	174	107	\$132,987	\$190-215	\$104	55%
Greenwich	Adams Garden/Armstrong McKinney Terrace	245	N/A	\$ 76,221	\$304-725	\$ 25*	8%*
Hartford	Bowles Park/Westbrook Village	770	154	\$255,602	\$250-293	\$138	90%
Mansfield	Holinko Estates	35	22	\$ 13,731	\$370-470	\$ 52	14%
Meriden	Johnson Farms/Yale	214	175	\$127,287	\$255-282	\$ 61	35%
Middletown	Sunset Ridge/Rockwood Acres/ Santangelo Circle	198	76	\$125,434	\$215-231	\$138	64%
Norwich	Melrose Park/Kennedy Heights Hillside Terrace/Sunset Park	286	179	\$139,597	\$295-425	\$ 65	36%
Seymour	Smith Acres/Hoffman Heights/ Castle Heights	81	54	\$ 67,688	\$260-275	\$104	40%
Sharon	Sharon Ridge	20	18	\$ 7,710	\$235-305	\$ 36	15%
Stamford	Oak Park/Lawn Hill Terrace	590	N/A	\$372,683	\$375-430	\$ 53*	14%*
Stratford	Meadowview Manor	100	65	\$ 54,079	\$366-560	\$ 69	19%
Westport	Sasco Creek Village/Hales Court	75	N/A	\$ 22,615	\$145-185	\$ 25*	17%*
Wethersfield	Highvue Terrace	28	16	\$ 16,188	\$268	\$ 84	31%
Windham	Eastman Curran Terrace/Terry Court	146	92	\$ 61,628	\$185-240	\$ 56	30%
Total:		3,426					

* Number of base rent units not available. Necessary and percentage increases assume that all units are at base rent. These numbers will be higher if any units are above base rent.

TAX ABATEMENT PROGRAM
NON-PROFIT HOUSING DEVELOPMENTS, BY TOWN

Town	Name of projects	Fam units	Eld units	Total units	Tax abatement dollars
Ansonia	Liberty Park	30	0	30	\$ 11,789
Bethel	Augustana Homes	0	101	101	\$ 28,412
Bloomfield	Interfaith Homes, Wintonbury II	0	130	130	\$ 51,086
Bridgeport	Sycamore Place, Seaview Gardens, Union Village Cedar Park, Marionville, Washington Heights, Unity Heights	106	262	368	\$ 135,180
Danbury	Beaver Street	70	0	70	\$ 8,733
Granby	Stony Hill Village	0	30	30	\$ 11,352
Hartford	Lower Garden, Main/Nelson, Main/Pavilion, Mansfield/Edgewood, Barbour/Kensington, Martin Luther King Co-op, Clearview, Vinewood, Immanuel House, Capitol Towers, Marshall House, St. Christopher Apts., Plaza Terrace, Upper Garden, Tuscan Brotherhood, Dart Garden, South Arsenal	938	684	1,622	\$ 542,606
Kent	Templeton Farm	0	19	19	\$ 6,792
Middletown	Wadsworth Grove, Stoneycrest Towers, Newfield Towers	45	200	245	\$ 78,812
New Britain	Interfaith Housing	84	0	84	\$ 33,009
New Haven	Bella Vista I and II, Seabury, University Row Friendship Homes, Dwight Co-op, Jewish Elderly/ Tower I, Canterbury Gardens, Fairbank, BellaVista	280	1,423	1,734	\$ 177,805
Norwalk	Leonard Street, King's Daughters, St. Paul's	96	128	314	\$ 15,628
Stamford	St. Johns Towers, Friendship House, Coleman Towers, Martin Luther King, Bayview Towers Ludlow Town House, Pilgrim Towers	896	75	971	\$ 376,550
Waterbury	Robin Ridge, Prospect Towers, Lambda RHO Apts., Savings Towers, Frost Homestead	63	515	578	\$ 227,136
Total		3,567	2,608	6,175	